

THE WHITE HOUSE
Office of the Press Secretary

PRESS BRIEFING
BY
LARRY SPEAKES

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The Briefing Room

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INDEX

SUBJECT

PAGE

ANNOUNCEMENTS

Personnel Announcements.....1
Briefing on Central America.....1

DOMESTIC

Personal Income/Housing Figures.....2
Budget.....1, 4
President's Health/Status.....3-31

FOREIGN

Central America.....1-2
Supplemental Extradition Treaty, U.K.-U.S.....5

2:45 P.M. EDT

#1503-07/17

- 2 -

MR. SPEAKES: Well, I'll give you a -- the current status of Constantine Menges --

Q Is there paper on all these appointments?

MR. SPEAKES: Mr. -- Dr. Menges has moved from the Directorate on Latin America to the Directorate on International Communications and Information in NSC. Office was established several years ago to monitor and supervise our public diplomacy programs. By signing Mr. Menges to this position, NSC will take extensive knowledge of his -- take advantage of extensive knowledge and ability he has as a communicator. He will continue to serve as a senior staff member of the NSC, and Special Assistant to the President for national security affairs.

As far as the Senior Director for Latin American Affairs, Ray Burghardt is the person who is the head of that area.

Q The story is, was he moved because he was too staunchly --

MR. SPEAKES: No.

Q -- either anti-communist or hardliner or something like that?

MR. SPEAKES: No. The -- this morning, personal income and housing start figures are out for the month. Personal income was up five-tenths of a percent in June. This is another indication of continued steady growth in the nation's economy. The June figures follow a five percent decrease in May. That decrease was considered a statistical aberration created when special factors pushed up personal income in April.

Also, the delay of tax refunds continues to affect growth in disposable income. Most refunds were paid out in May, and disposable income rose correspondingly by 1.8 percent. When the funds declined in June, disposable income dropped 2.2 percent. When the effects of tax refunds is factored out, disposable income shows a steady, continued growth moving in step with personal income.

Personal consumption rose another six-tenths of a percent in June, matching the May figures. Housing starts in June were also up, rising 1.9 percent to a seasonally adjusted annual rate of 1.7 million units. The rate of the new permits issued fell off 3.7 percent, down to an annual rate of \$1.7 million.

With the sharp drop in mortgage interest rates in recent weeks, the housing industry is expected to see a sharp rise in activity in the closing summer months. With the economy continuing to grow at a steady sustainable rate, and Congress seemingly determined to reach some sort of agreement on budget cuts, the foreseeable economic future is a bright one. Passage of the President's growth-oriented tax reform package would be yet another step towards long-term fiscal growth.

Q Good news, in other words?

Q The personnel decisions --

MR. SPEAKES: Pardon?

Q Were the personnel decisions made last week or --

MR. SPEAKES: No, they were made -- several weeks ago. That's the way they were.

Q Do we have paper on all of them?

Q So you say you think passage of a budget compromise

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#1503-07/17